



METROPOLITAN  
TRANSPORTATION  
COMMISSION

**Agenda Item 3a**

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## *Memorandum*

TO: Operations Committee

DATE: July 9, 2018

FR: Executive Director

W. I. 1222

RE: Contract – 511 Vanpool Program: Enterprise Rent A Car Co. of San Francisco, LLC (\$9,550,000)

This memorandum requests the Committee's approval to enter into a five-year contract, with options to extend the term for up to an additional five years, with Enterprise Rent A Car Co. of San Francisco, LLC ("Enterprise") in the amount of \$9,550,000. The purpose of the contract is to grow the regional vanpool fleet, provide vanpool data to the National Transit Database, and increase the Bay Area's share of FTA 5307 transit funds.

### **Background**

To encourage vanpooling in the region, MTC will offset the cost to vanpoolers for vans enrolled in the 511 Vanpool Program by \$350 per month per van, which amount may be adjusted during the Program. Lowering the cost of vanpooling to customers has been shown to grow the vanpool fleet in other parts of the country. In exchange for the offset, Enterprise will gather data from vanpoolers, and MTC will report it to the Federal Transit Administration's (FTA's) National Transit Database (NTD). This will increase Bay Area reported vehicle passenger miles and increase the Bay Area's share of federal Section 5307 funds. MTC will fund the first three years of the vanpool program using about \$4 million in Congestion Mitigation and Air Quality (CMAQ) and Transportation Fund for Clean Air (TFCA) funds. In the following two years, MTC intends to use about \$6 million of new Section 5307 funds obtained from NTD reporting to pay for the program.

By Program Year 5, staff aims to grow the Bay Area vanpool fleet from 525 vans to 700 vans. This would represent significant progress toward reaching the 1,030 vans needed by 2035 for greenhouse gas emissions reductions described in Plan Bay Area 2040's Final Travel Modeling Report (July 2017). Once the fleet increases to 700 vans, the annual program budget would be \$3 million. This investment is anticipated to generate about \$10 million of additional Section 5307 funds per year. The \$7 million balance would be available for other transit capital needs.

Staff recommends a maximum ten-year contract period of performance to support continuity and accountability of NTD reporting. This would not preclude MTC from rebidding the contract early in the event of unsatisfactory performance, new private sector vendors that MTC may want to add, or some other reason.

### **Procurement Process**

On February 5, 2018, MTC issued a Request for Proposal (RFP) to find eligible vanpool providers to participate in the vanpool program. An email advertising the availability of the RFP on MTC's website was sent to 1,033 individuals/firms. MTC received two proposals, which

were evaluated by a panel of MTC staff. The evaluation criteria, listed in order of importance, included: 1) Qualifications [35%]; 2) Approach [35%]; and 3) Best value/fleet pricing [30%].

Enterprise and Yazdan Irani dba Airport Van Rental Inc. ("AVR"), submitted proposals with vanpool rental/lease rates as shown below:

Firm	Location	Cost/Vanpool/Month
Enterprise	Corp: St. Louis, MO Local: San Ramon, CA	\$1,070 to \$1,545 <sup>1</sup>
AVR	Los Angeles, CA	\$1,300 to \$1,700 <sup>2</sup>

<sup>1</sup> Low end of range is for a 7-passenger minivan with 1,155 miles per month. Range scales from there to a 15-passenger van with 4,200 miles per month.

<sup>2</sup> Low end of range is for a 7-passenger minivan with 500 miles per month. Range is tiered from there with 8-passenger vans and larger with 2,000 monthly miles and above at the \$1,700 per month level.

While the proposed rental/lease costs per month for both proposers came in at reasonable rates, staff decided to short list only Enterprise for further discussions. AVR's rates were higher than Enterprise's by an amount similar to the value of the proposed subsidy, and vanpoolers in the Bay Area would have lower costs across the board under Enterprise. Furthermore, Enterprise presented a stronger approach to achieving the program's goal of lowering the price point of vanpooling and increasing its attractiveness. Also, AVR has never run a turnkey vanpool program, including matching passengers to form vanpools or meeting NTD data reporting requirements, whereas Enterprise has over 65 public sector contracts for turnkey vanpool services, including 19 with Metropolitan Planning Organizations or Councils of Government.

The panel entered into discussions with Enterprise on May 8, and later issued a Request for Best and Final Offer (BAFO) to clarify proposal details. After a thorough review of the BAFO, the evaluation panel unanimously recommended the selection of Enterprise. Enterprise has extensive experience providing turnkey vanpool services and collecting and packaging NTD data, provides vans to existing vanpoolers in the Bay Area, and understands the region's institutional issues, having worked with the 511 Rideshare Program and the County TDM agencies for many years. Enterprise's well-written proposal defined a comprehensive approach for completing project tasks, and demonstrated a clear understanding of the project elements and process needed to implement the project. Enterprise's vanpool rental/lease rates were also the most competitive.

Attachment A includes a summary of Enterprise and its project team's small business and disadvantaged business enterprise status.

### Recommendation

Staff recommends that the Committee authorize the Executive Director or his designated representative to negotiate and enter into a five-year contract with Enterprise Rent A Car Co. of San Francisco, LLC, in an amount not to exceed \$9,550,000 to provide turnkey vanpool services and related vanpool data to support National Transit Database reporting.



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Steve Heminger

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**Small Business and Disadvantaged Business Enterprise Status**

	Firm Name	Role on Project	DBE* Firm			SBE** Firm		
			Yes	If Yes, List #	No	Yes	If Yes, List #	No
Prime Contractor	Enterprise Rent A Car Co. of San Francisco, LLC	Vanpool Contractor			X			x
Subcontractor	2Meart.com LLC	Graphics reproduction, Installation and Removal	X	42012		X	1756866	

\*Denotes certification by the California Unified Certification Program (CUCP).

\*\*Denotes certification by the State of California.

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Consultant Contract

Work Item No.:	1222
Contractor:	Enterprise Rent A Car Co. of San Francisco, LLC San Ramon, CA
Work Project Title:	511 Vanpool Program
Purpose of Project:	To grow the regional vanpool fleet, provide vanpool data to the National Transit Database (NTD) and grow the Bay Area's share of federal Section 5307 funds.
Brief Scope of Work:	Provide turn-key vanpool services: own, operate and maintain a vanpool fleet; form vanpools and provide customer service; administer the program and provide NTD reporting data to MTC and support MTC's reporting process.
Project Cost:	\$9,550,000
Funding Source:	CMAQ/TFCA/Section 5307
Fiscal Impact:	\$1,000,000 is available in the FY 2018-19 budget; the remainder of funds is subject to future budgets.
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract with Enterprise Rent A Car Co. of San Francisco, LLC to provide turnkey vanpool services and related vanpool data to support National Transit Database reporting as described above and in the Executive Director's July 9, 2018 memorandum and the Chief Financial Officer is directed to set aside funds as provided above for such contract.
Operations Committee:	<hr/> Dave Cortese, Chair
Approved:	Date: July 13, 2018